



2016 Fourth Quarter Earnings Presentation

January 27, 2017

Agenda

INTRODUCTION

- Craig Dahl (Chief Executive Officer)

HIGHLIGHTS / REVENUE / LOANS AND LEASES / CREDIT

- Craig Dahl

EXPENSES / DEPOSITS / CAPITAL / INTEREST RATES

- Brian Maass (Chief Financial Officer)

CLOSING COMMENTS

- Craig Dahl

Q&A



2016 Observations

CONTINUED FOCUS ON EXECUTING ON OUR STRATEGIC PILLARS IN 2016

Diversification **1**

Profitable Growth **2**

Operating Leverage **3**

Core Funding **4**

- Net income of \$212.1 million, up 7.6% year-over-year
- Execution of diversification philosophy resulted in strong credit quality performance
- Profitable growth driven by diverse loan and lease origination capabilities
- Generated positive operating leverage as revenue growth outpaced expense growth
- Expanded deposit base which will be very beneficial should interest rates continue to increase



2016 Highlights vs. 2015

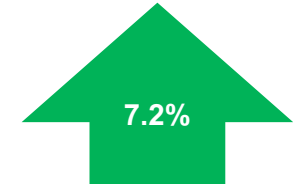
**Loan & Lease
Originations**

\$16.8 billion



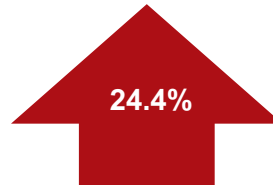
Average Deposits

\$17.1 billion



**Provision for Credit
Losses**

\$65.9 million



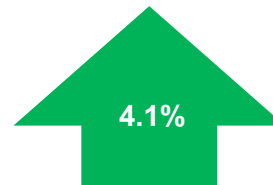
**Non-accrual
Loans & Leases**

\$181.4 million



Revenue

\$1.3 billion



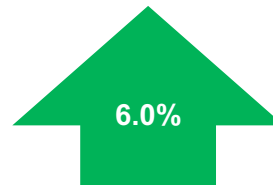
**Return on Average
Assets**

1.05%



**Book Value per
Common Share**

\$12.66



**Return on Average
Common Equity**

9.13%



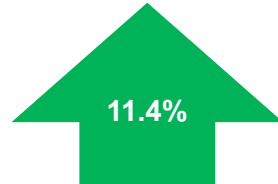
Earnings per share of \$1.15, an increase of 7.5% from 2015



Fourth Quarter 2016 Highlights vs. Fourth Quarter 2015

Loan & Lease Originations

\$4.3 billion



Average Deposits

\$17.1 billion



Provision for Credit Losses

\$19.9 million



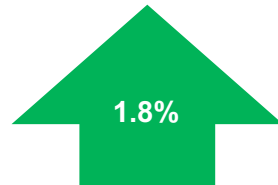
Non-accrual Loans & Leases

\$181.4 million



Revenue

\$327.1 million



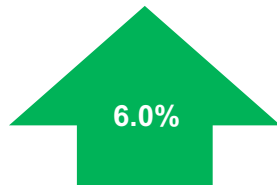
Return on Average Assets¹

0.99%



Book Value per Common Share

\$12.66



Return on Average Common Equity¹

8.40%



Earnings per share of 27 cents, a decrease of 6.9% from the fourth quarter of 2015



Fourth Quarter 2016 Highlights – Revenue

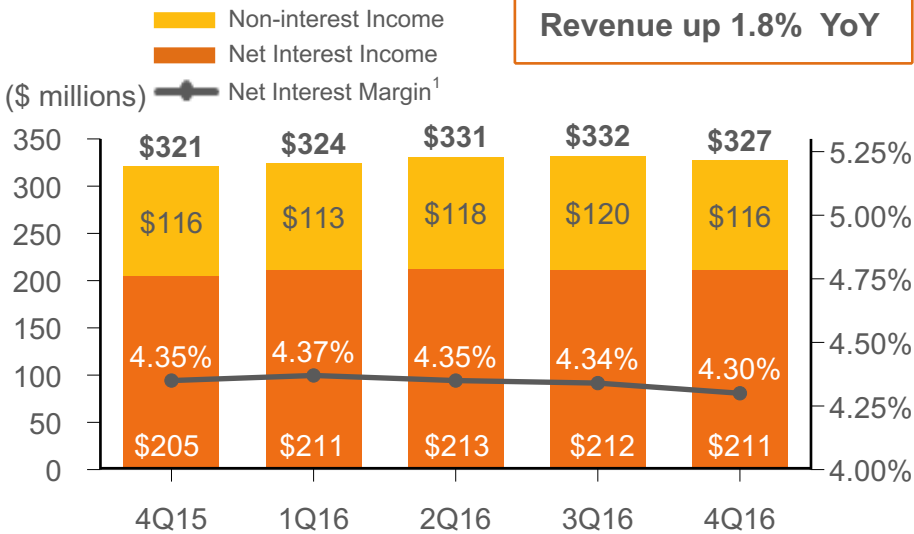
Strategic Pillars

Diversification

1

Profitable Growth

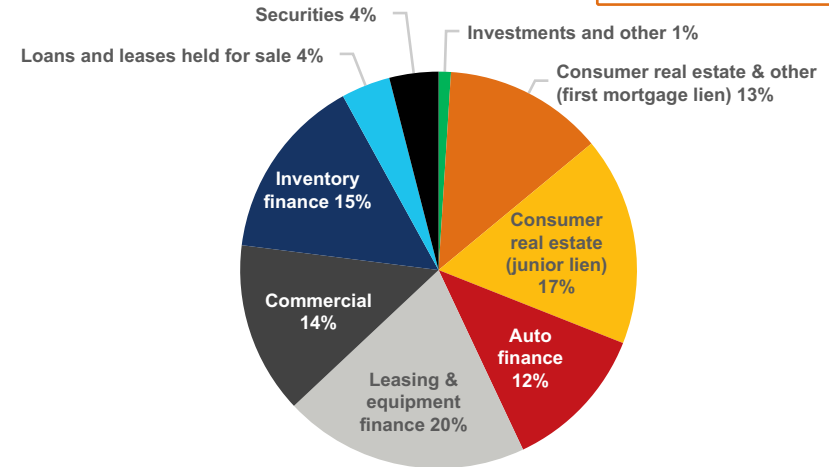
2



REVENUE DIVERSIFICATION

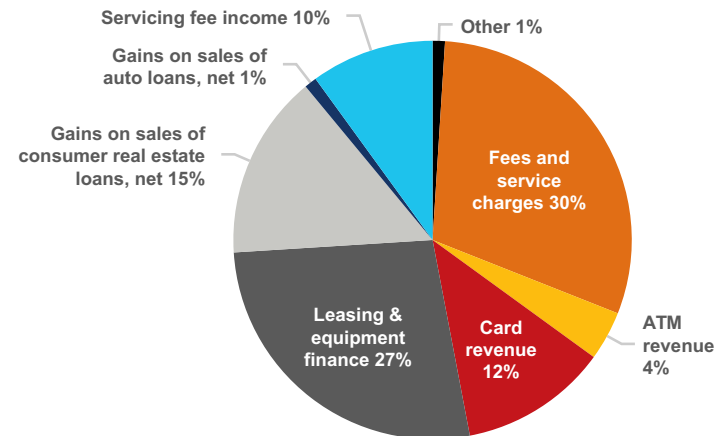
Interest Income

\$232 million



Non-interest Income

\$116 million



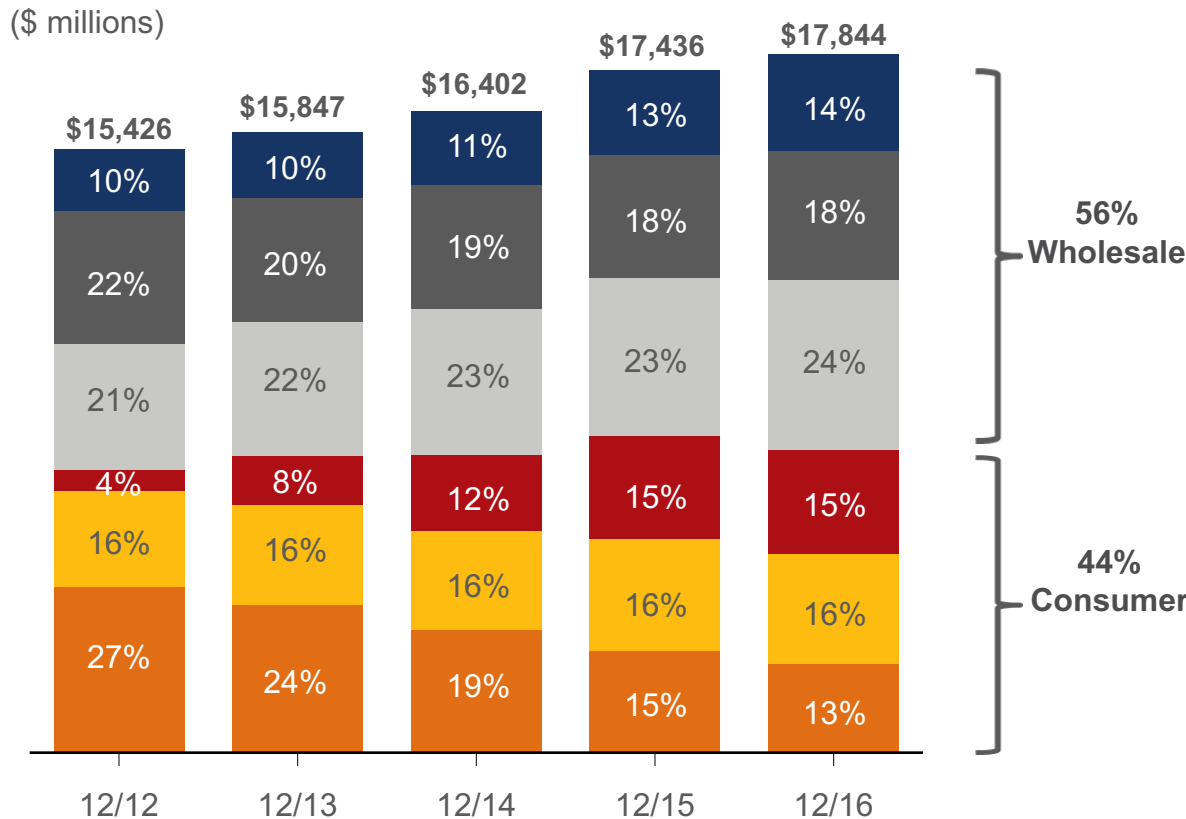
4Q16 vs. 4Q15 revenue and net interest margin impacted by the following 4Q16 items:

- Higher average balances of loans and leases held for sale, leasing and equipment finance loans and leases, inventory finance loans and securities available for sale
- Lower average yield on the overall loan and lease portfolio
- Increased gains on sales of consumer real estate loans and servicing fee income
- Decreased fees and service charges and gains on sales of auto loans

Loan and Lease Portfolio

- Inventory Finance
- Commercial
- Leasing & Equipment Finance
- Auto Finance
- Consumer Real Estate - Junior Lien
- Consumer Real Estate & Other - First Mortgage Lien

Loan and lease growth of 2.3% YoY



- 2016 loan and lease growth of 5.0%, excluding the Consumer Real Estate First Mortgage Lien portfolio
- Year-over-year loan and lease growth in Inventory Finance of 15.1%, Leasing & Equipment Finance of 8.1% and Commercial of 4.5%
- Strong loan and lease diversification by asset class, geography, rate, average loan and lease size, estimated weighted average life and collateral type



Diverse Loan and Lease Origination Capabilities

Strategic Pillars

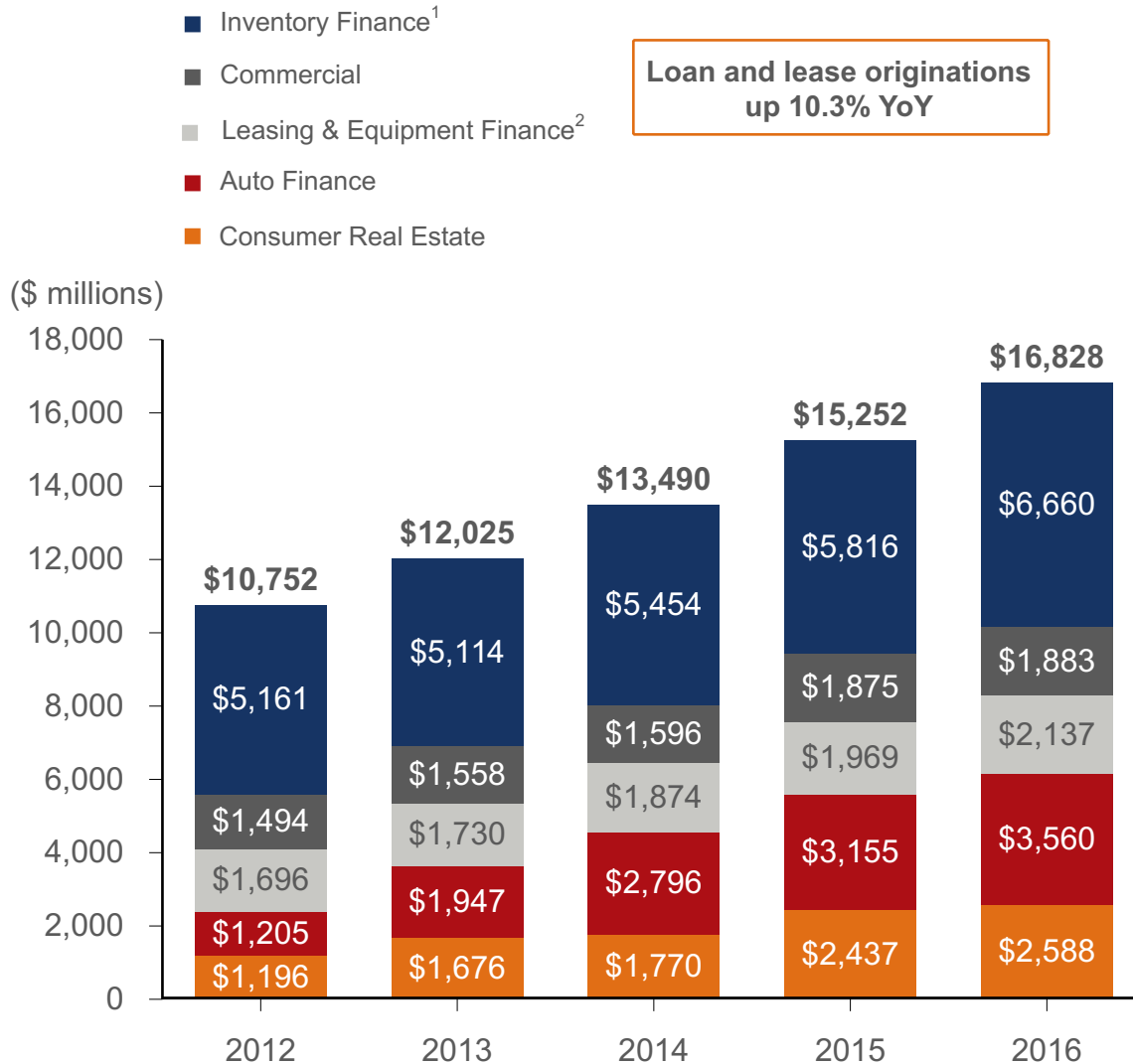
Diversification

1

Profitable Growth

2

Loan and lease originations
up 10.3% YoY



- Proven loan and lease origination platform allows for optimization of growth and revenue
- Organic loan and lease portfolio growth can be achieved while maintaining discipline on price, structure and credit quality
- Growth in multiple asset classes provides flexibility to adjust asset composition to react to changing environment



8 ¹ Origination levels are impacted by the velocity of fundings and repayments with dealers
² Includes operating leases

Loan and Lease Sales and Revenue

Strategic Pillars

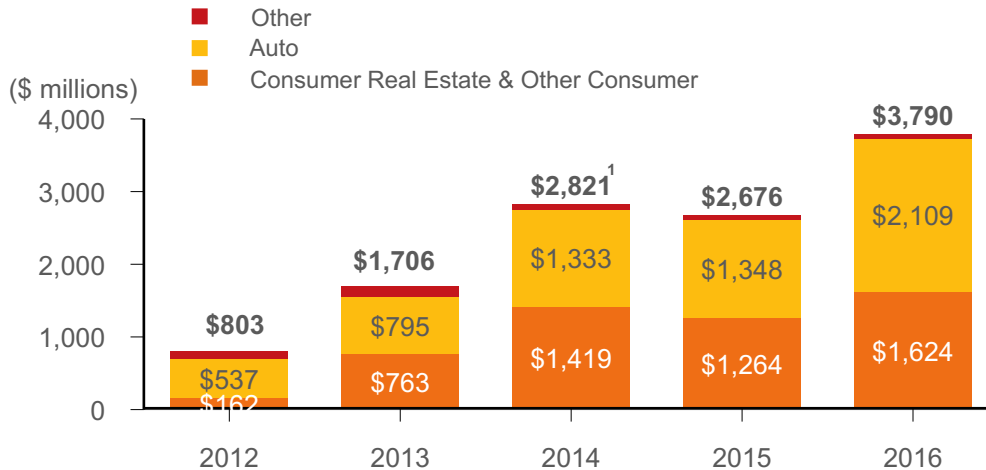
Diversification

1

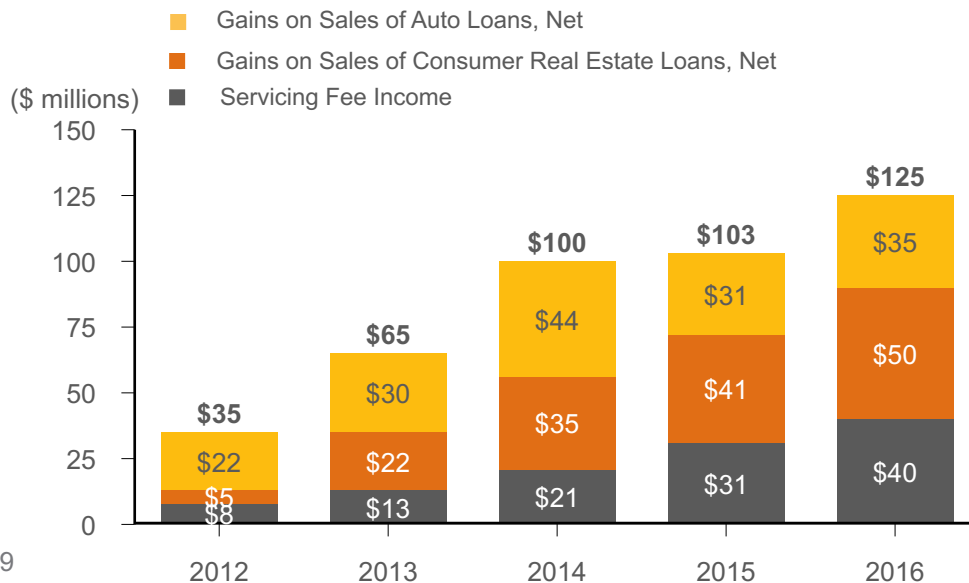
Profitable Growth

2

LOAN AND LEASE SALES



IMPACT ON REVENUE

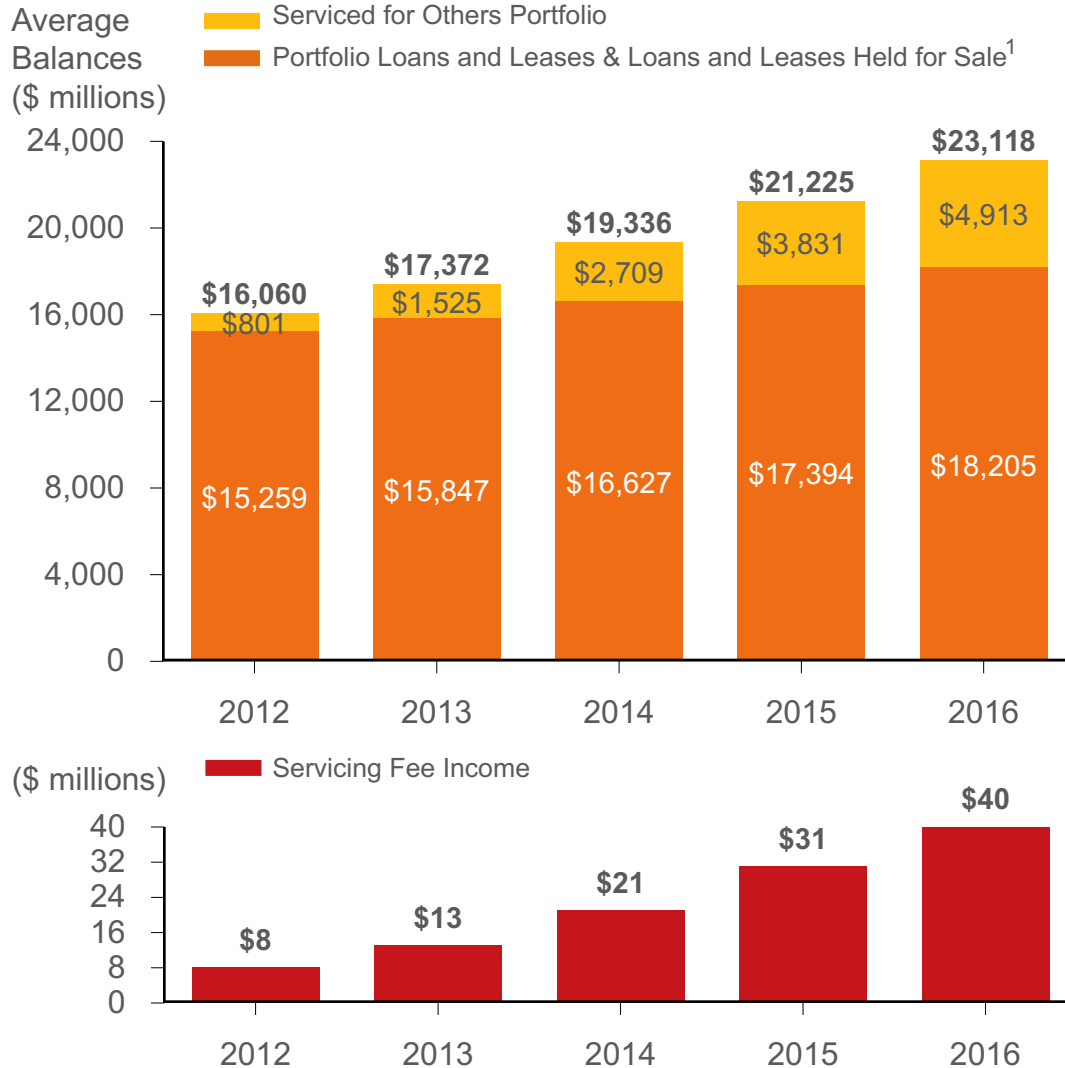


- Provides flexibility to the organization:
 - Diversifies areas of product and geographic concentration
 - Supports capital and liquidity
 - Provides additional revenue source



¹ Includes 4Q14 TDR portfolio loan sale of \$405.9 million (servicing released)

Managed Portfolio



- Served for others portfolio primarily includes auto loans and consumer real estate loans sold with servicing rights retained
- Loan sale and servicing strategy contributes to revenue through gains on sales of loans and ongoing servicing fees:
 - \$125 million of revenue through gains on sale of loans and servicing fee income in 2016
 - Year-over-year servicing fee income growth of 29%



Loan and Lease Yields¹

COMBINATION OF DIVERSIFICATION AND DISCIPLINED PRICING HAS CREATED CONSISTENT YIELD PERFORMANCE DESPITE LOW RATE ENVIRONMENT

	4Q15	1Q16	2Q16	3Q16	4Q16
Consumer Real Estate:					
First Mortgage Lien	5.31%	5.40%	5.34%	5.35%	5.22%
Junior Lien	5.54	5.67	5.64	5.60	5.64
Commercial	4.40	4.30	4.30	4.22	4.25
Leasing & Equipment Finance	4.55	4.47	4.45	4.48	4.43
Inventory Finance	5.66	5.68	5.74	6.07	5.80
Auto Finance	4.17	4.14	4.19	4.06	4.04
Total Loans and Leases	4.89	4.89	4.88	4.88	4.82
Peer Group ² Average	4.37	4.36	4.34	4.33	N.A.

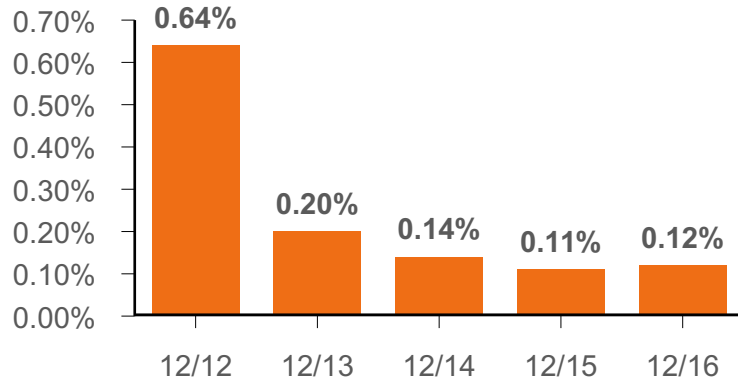
¹ Annualized and presented on a fully tax-equivalent basis

² All U.S. publicly-traded banks and thrifts, excluding TCF, with total assets between \$10 and \$50 billion as of September 30, 2016 that have reported loan and lease yields for the past four quarters, includes loans held for sale (source: SNL Financial)

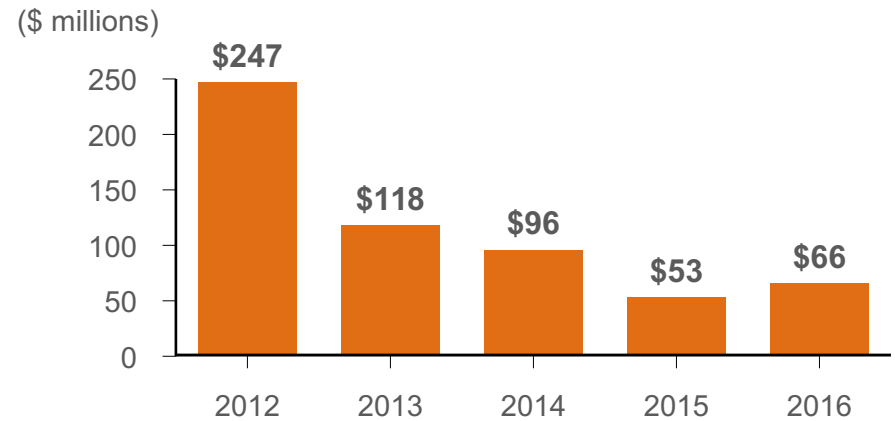


Credit Quality Trends

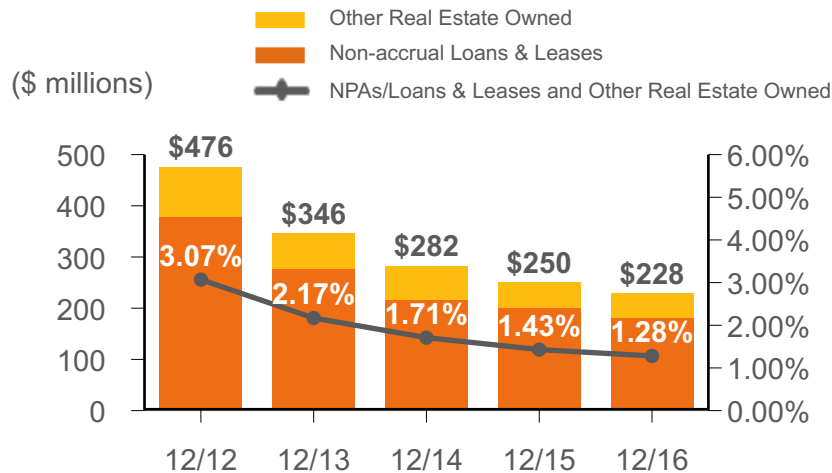
60+ DAY DELINQUENCIES¹



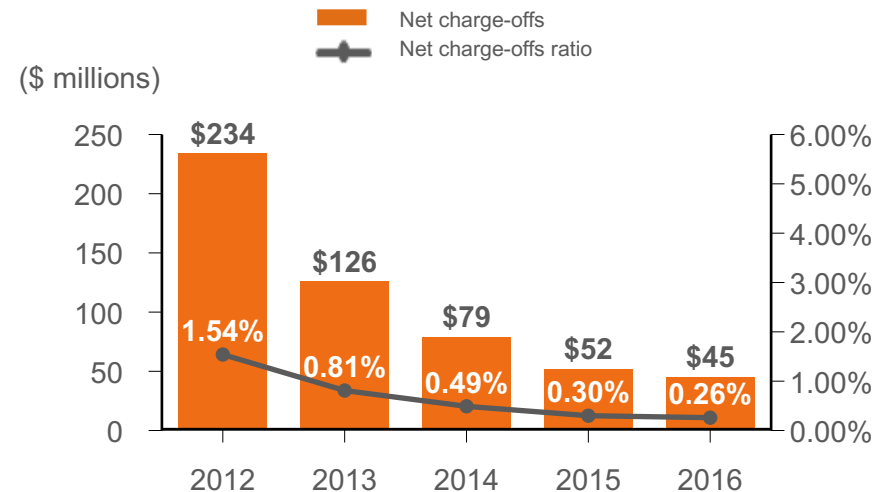
PROVISION FOR CREDIT LOSSES



NON-PERFORMING ASSETS



NET CHARGE-OFFS



12 ¹ Excludes portfolios acquired with deteriorated credit quality and non-accrual loans and leases

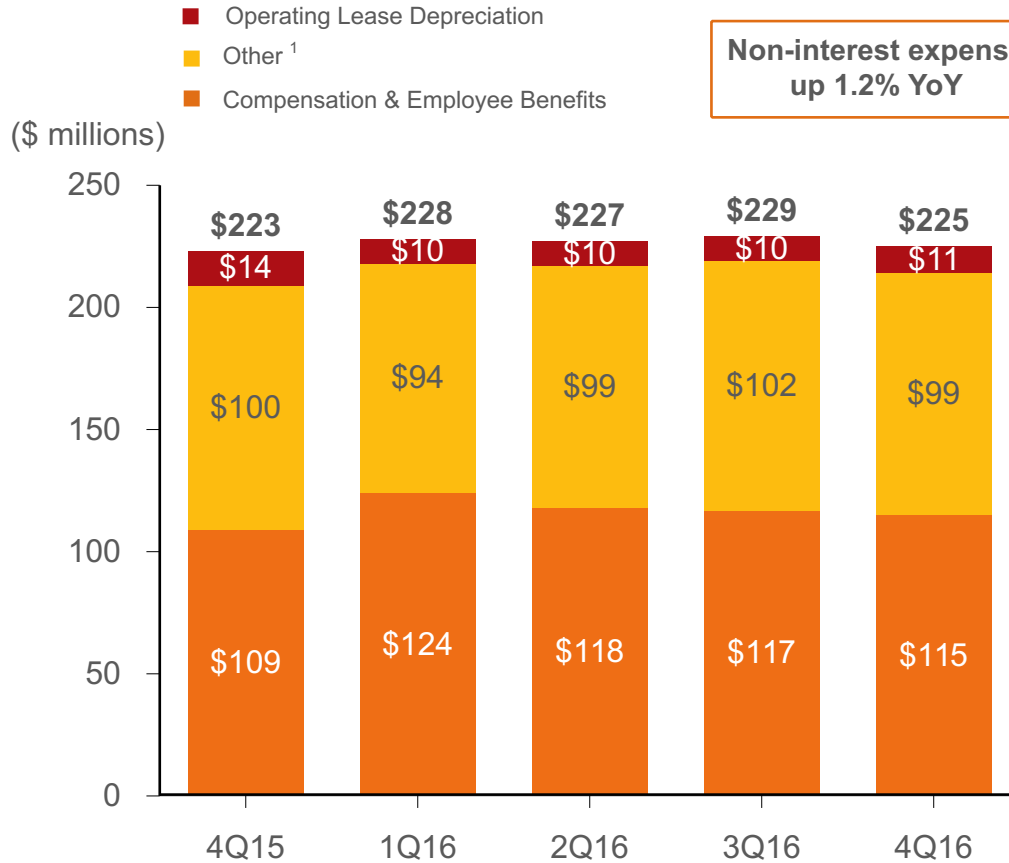
Net Charge-off Ratio

	Quarter Ended ¹					Change from Quarter Ended
	Dec. 31, 2015	Mar. 31, 2016	Jun. 30, 2016	Sep. 30, 2016	Dec. 31, 2016	Dec. 31, 2015
Consumer:						
Consumer Real Estate:						
First Mortgage Lien	0.54%	0.55%	0.35%	0.34%	0.26%	(28) bps
Junior Lien	0.17	0.17	0.05	0.04	0.08	(9)
Total Consumer Real Estate	0.34	0.35	0.19	0.17	0.17	(17)
Auto Finance	0.75	0.81	0.69	0.86	1.09	34
Consumer²	0.51	0.52	0.39	0.47	0.53	2
Wholesale:						
Commercial	0.05	(0.02)	0.08	(0.01)	0.01	(4)
Leasing & Equipment Finance	0.16	0.13	0.11	0.18	0.10	(6)
Inventory Finance	0.05	0.04	0.09	0.10	0.07	2
Wholesale	0.10	0.06	0.10	0.10	0.06	(4)
Total²	0.29	0.27	0.23	0.26	0.27	(2)

- Net charge-off decline of two basis points year-over-year impacted by loan and lease diversification philosophy
- Wholesale net charge-off rate of 0.06% in 4Q16
- Total levels of net charge-offs performing in low end of the expected range

Non-interest Expense

Non-interest expense up 1.2% YoY



- Leveraging of expense base through continued growth of total average assets and average serviced for others portfolio
- Focus on lowering efficiency ratio by growing revenue faster than expenses

Efficiency Ratio: 69.27% 70.42% 68.69% 69.00% 68.89%

Expense as % of Total Avg Assets & Avg Serviced for Others Portfolio²: 3.65% 3.61% 3.51% 3.51% 3.39%

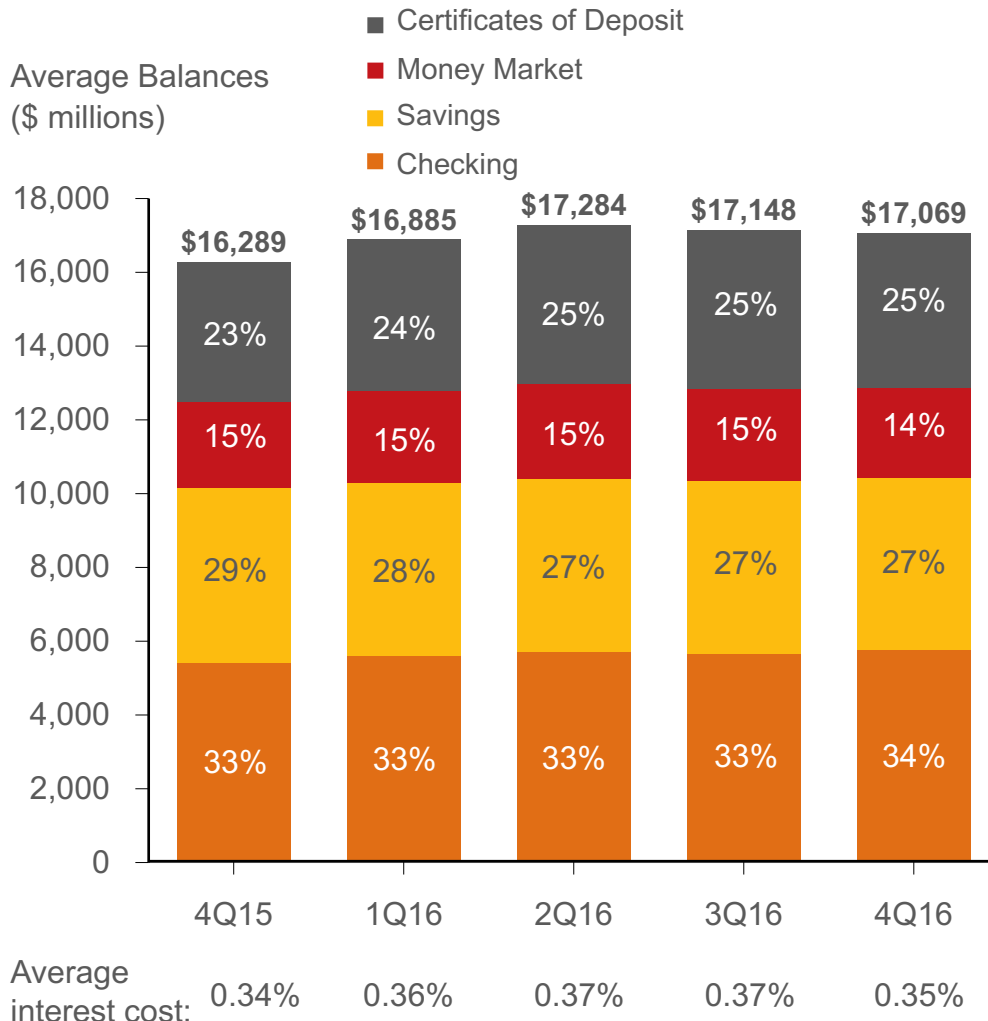
Total Avg Assets & Avg Serviced for Others Portfolio: \$24,371 \$25,317 \$25,892 \$26,085 \$26,608

14 ¹ Includes Occupancy & Equipment, Other Non-interest Expense, Foreclosed Real Estate & Repossessed Assets, and Other Credit Costs

² Annualized



Deposit Generation



- Average deposit balances increased 4.8% year-over-year
- Average checking balances increased 6.4% year-over-year
- 2016 average deposit growth continued to exceed average loan and lease growth
- Average interest rate on deposits improved quarter-over-quarter
- 86% of period-end certificates of deposit balances are less than \$250,000



Capital and Return

	2015	2016
Common equity Tier 1 capital ratio ¹	10.00%	10.24%
Tier 1 risk-based capital ratio ¹	11.54%	11.68%
Total risk-based capital ratio ¹	13.71%	13.69%
Tier 1 leverage ratio ¹	10.46%	10.73%
Common equity ratio	9.80%	10.09%
Tangible common equity ratio ²	8.79%	9.13%
Book value per common share	\$ 11.94	\$ 12.66
Tangible book value per common share ²	\$ 10.59	\$ 11.33
Return on average common equity	9.19%	9.13%
Return on average tangible common equity ³	10.48%	10.29%

- Maintained strong capital ratios with earnings accumulation
- Common stock dividend of 7.5 cents per share declared on January 25, 2017
- Potential capital allocation strategies include:
 - Dividend increase
 - Stock buyback
 - Organic growth
 - Corporate development opportunities



¹ The regulatory capital ratios for 4Q16 are preliminary pending completion and filing of the Company's regulatory reports

² See "Reconciliation of GAAP to Non-GAAP Financial Measures – Tangible Common Equity Ratio and Tangible Book Value Per Common Share" slide

³ See "Reconciliation of GAAP to Non-GAAP Financial Measures – Return on Average Tangible Common Equity" slide

Well Prepared for Rising Interest Rates

Strategic Pillars

Diversification

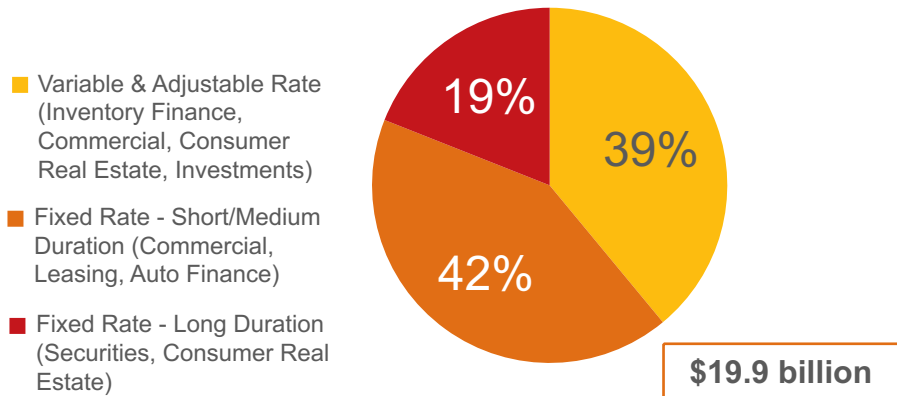
1

Profitable Growth

2

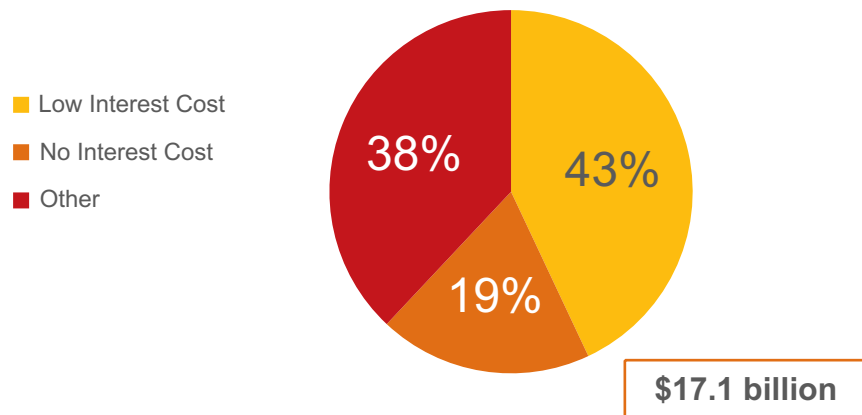
At December 31, 2016

QTD AVERAGE EARNING ASSETS



- Growth of short-term and variable rate loans positions TCF to benefit in a rising rate environment
- 81% of assets are variable/adjustable rate or short/medium duration fixed rate
- 59% of loan and lease balances are expected to reprice, amortize or prepay in the next 12 months

QTD AVERAGE DEPOSITS



- 62% of deposits are low or no interest cost with an average cost of one basis point for 4Q16, which provides a competitive pricing advantage in a rising rate environment



Strategic Pillar Recap

	STRATEGIC PILLARS	2016 PROGRESS
1	DIVERSIFICATION	<ul style="list-style-type: none">• Execution of diversification philosophy resulted in strong credit quality performance• Origination growth in multiple asset classes provides flexibility to adjust asset composition based on market conditions
2	PROFITABLE GROWTH	<ul style="list-style-type: none">• Proven loan and lease origination platform allowed for optimization of balance sheet and revenue growth• Strong net interest income despite competitive low interest rate environment
3	OPERATING LEVERAGE	<ul style="list-style-type: none">• Year-over-year revenue growth of 4.1% outpaced expense growth of 1.7%• Identified and began implementing operating efficiencies (e.g. branch rationalization)
4	CORE FUNDING	<ul style="list-style-type: none">• Retail deposits provide a competitive pricing advantage in a rising rate environment• 2016 average deposit growth continued to exceed average loan and lease growth

Execution under a strong enterprise risk management and credit culture

2017 Outlook

- Optimize diverse loan and lease origination platform to grow asset classes that will drive profitability
- Leverage technology to create new product and service solutions that meet the financial needs of our customers and drive operating efficiencies
- Continued emphasis on talent management
- Benefit from a more favorable operating environment

Focus on continuing to create superior and sustainable financial performance



Appendix

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Cautionary Statements for Purposes of the Safe Harbor Provisions of the Securities Litigation Reform Act

Any statements contained in this presentation regarding the outlook for the Company's businesses and their respective markets, such as projections of future performance, guidance, statements of the Company's plans and objectives, forecasts of market trends and other matters, are forward-looking statements based on the Company's assumptions and beliefs. Such statements may be identified by such words or phrases as "will likely result," "are expected to," "will continue," "outlook," "will benefit," "is anticipated," "estimate," "project," "management believes" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those discussed in such statements and no assurance can be given that the results in any forward-looking statement will be achieved. For these statements, TCF claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Any forward-looking statement speaks only as of the date on which it is made, and we disclaim any obligation to subsequently revise any forward-looking statement to reflect events or circumstances after such date or to reflect the occurrence of anticipated or unanticipated events.

Certain factors could cause the Company's future results to differ materially from those expressed or implied in any forward-looking statements contained herein. These factors include the factors discussed in Part I, Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2015 under the heading "Risk Factors", the factors discussed below and any other cautionary statements, written or oral, which may be made or referred to in connection with any such forward-looking statements. Since it is not possible to foresee all such factors, these factors should not be considered as complete or exhaustive.

Adverse Economic or Business Conditions; Competitive Conditions; Credit and Other Risks. Deterioration in general economic and banking industry conditions, including those arising from government shutdowns, defaults, anticipated defaults or rating agency downgrades of sovereign debt (including debt of the U.S.), or increases in unemployment; adverse economic, business and competitive developments such as shrinking interest margins, reduced demand for financial services and loan and lease products, deposit outflows, increased deposit costs due to competition for deposit growth and evolving payment system developments, deposit account attrition or an inability to increase the number of deposit accounts; customers completing financial transactions without using a bank; adverse changes in credit quality and other risks posed by TCF's loan, lease, investment, securities held to maturity and securities available for sale portfolios, including declines in commercial or residential real estate values, changes in the allowance for loan and lease losses dictated by new market conditions or regulatory requirements, or the inability of home equity line borrowers to make increased payments caused by increased interest rates or amortization of principal; deviations from estimates of prepayment rates and fluctuations in interest rates that result in decreases in the value of assets such as interest-only strips that arise in connection with TCF's loan sales activity; interest rate risks resulting from fluctuations in prevailing interest rates or other factors that result in a mismatch between yields earned on TCF's interest-earning assets and the rates paid on its deposits and borrowings; foreign currency exchange risks; counterparty risk, including the risk of defaults by our counterparties or diminished availability of counterparties who satisfy our credit quality requirements; decreases in demand for the types of equipment that TCF leases or finances; the effect of any negative publicity.

Legislative and Regulatory Requirements. New consumer protection and supervisory requirements and regulations, including those resulting from action by the Consumer Financial Protection Bureau and changes in the scope of Federal preemption of state laws that could be applied to national banks and their subsidiaries; the imposition of requirements that adversely impact TCF's deposit, lending, loan collection and other business activities such as mortgage foreclosure moratorium laws, further regulation of financial institution campus banking programs, use by municipalities of eminent domain on property securing troubled residential mortgage loans, or imposition of underwriting or other limitations that impact the ability to offer certain

(continued)

Cautionary Statements for Purposes of the Safe Harbor Provisions of the Securities Litigation Reform Act (cont)

variable-rate products; changes affecting customer account charges and fee income, including changes to interchange rates; regulatory actions or changes in customer opt-in preferences with respect to overdrafts, which may have an adverse impact on TCF; changes to bankruptcy laws which would result in the loss of all or part of TCF's security interest due to collateral value declines; deficiencies in TCF's compliance programs, including under the Bank Secrecy Act in past or future periods, which may result in regulatory enforcement action including monetary penalties; increased health care costs resulting from Federal health care reform; regulatory criticism and resulting enforcement actions or other adverse consequences such as increased capital requirements, higher deposit insurance assessments or monetary damages or penalties; heightened regulatory practices, requirements or expectations, including, but not limited to, requirements related to enterprise risk management, the Bank Secrecy Act and anti-money laundering compliance activity.

Earnings/Capital Risks and Constraints, Liquidity Risks. Limitations on TCF's ability to pay dividends or to increase dividends because of financial performance deterioration, regulatory restrictions or limitations; increased deposit insurance premiums, special assessments or other costs related to adverse conditions in the banking industry; the impact on banks of regulatory reform, including additional capital, leverage, liquidity and risk management requirements or changes in the composition of qualifying regulatory capital; adverse changes in securities markets directly or indirectly affecting TCF's ability to sell assets or to fund its operations; diminished unsecured borrowing capacity resulting from TCF credit rating downgrades or unfavorable conditions in the credit markets that restrict or limit various funding sources; costs associated with new regulatory requirements or interpretive guidance relating to liquidity; uncertainties relating to future retail deposit account changes, including limitations on TCF's ability to predict customer behavior and the impact on TCF's fee revenues.

Branching Risk; Growth Risks. Adverse developments affecting TCF's supermarket banking relationships or any of the primary supermarket chains in which TCF maintains supermarket branches; costs related to closing underperforming branches; inability to timely close underperforming branches due to long-term lease obligations; slower than anticipated growth in existing or acquired businesses; inability to successfully execute on TCF's growth strategy through acquisitions or expanding existing business relationships; failure to expand or diversify TCF's balance sheet through new or expanded programs or opportunities; failure to successfully attract and retain new customers, including the failure to attract and retain manufacturers and dealers to expand the inventory finance business; failure to effectuate, and risks of claims related to, sales and securitizations of loans; risks related to new product additions and addition of distribution channels (or entry into new markets) for existing products.

Technological and Operational Matters. Technological or operational difficulties, loss or theft of information, cyber-attacks and other security breaches, counterparty failures and the possibility that deposit account losses (fraudulent checks, etc.) may increase; failure to keep pace with technological change, including the failure to develop and maintain technology necessary to satisfy customer demands; ability to attract and retain employees given competitive conditions.

Litigation Risks. Results of litigation or government enforcement actions, including class action litigation or enforcement actions concerning TCF's lending or deposit activities, including account opening/origination, servicing practices, fees or charges, employment practices, or checking account overdraft program "opt in" requirements; and possible increases in indemnification obligations for certain litigation against Visa U.S.A.

Accounting, Audit, Tax and Insurance Matters. Changes in accounting standards or interpretations of existing standards; federal or state monetary, fiscal or tax policies, including adoption of state legislation that would increase state taxes; ineffective internal controls; adverse federal, state or foreign tax assessments or findings in tax audits; lack of or inadequate insurance coverage for claims against TCF; potential for claims and legal action related to TCF's fiduciary responsibilities.

Reconciliation of GAAP to Non-GAAP Financial Measures – Return on Average Tangible Common Equity¹

(\$ thousands)

		YTD Dec. 31, 2015	YTD Dec. 31, 2016
Net income available to common stockholders	(a)	\$ 177,735	\$ 192,736
Plus: Other intangibles amortization		1,562	1,388
Less: Income tax expense attributable to other intangibles amortization		562	493
Adjusted net income available to common stockholders	(b)	\$ 178,735	\$ 193,631
Average balances:			
Total equity		\$ 2,217,204	\$ 2,394,701
Less: Non-controlling interest in subsidiaries		19,514	21,525
Total TCF Financial Corporation stockholders' equity		2,197,690	2,373,176
Less: Preferred stock		263,240	263,240
Average total common stockholders' equity	(c)	1,934,450	2,109,936
Less:			
Goodwill		225,640	225,640
Other intangibles		3,913	2,414
Average tangible common equity	(d)	\$ 1,704,897	\$ 1,881,882
Return on average common equity	(a) / (c)	9.19%	9.13%
Return on average tangible common equity	(b) / (d)	10.48%	10.29%

¹ When evaluating capital adequacy and utilization, management considers financial measures such as return on average tangible common equity. This measure is a non-GAAP financial measure and is viewed by management as a useful indicator of capital levels available to withstand unexpected market or economic conditions, and also provide investors, regulators and other users with information to be viewed in relation to other banking institutions.

Reconciliation of GAAP to Non-GAAP Financial Measures – Tangible Common Equity Ratio and Tangible Book Value Per Common Share¹

(\$ thousands, except per share data)

		At Dec. 31, 2015	At Dec. 31, 2016
Total equity		\$ 2,306,917	\$ 2,444,645
Less: Non-controlling interest in subsidiaries		16,001	17,162
Total TCF Financial Corporation stockholders' equity		<u>2,290,916</u>	<u>2,427,483</u>
Less: Preferred stock		263,240	263,240
Total common stockholders' equity	(a)	<u>2,027,676</u>	<u>2,164,243</u>
Less:			
Goodwill		225,640	225,640
Other intangibles		3,126	1,738
Tangible common equity	(b)	<u>\$ 1,798,910</u>	<u>\$ 1,936,865</u>
Total assets	(c)	\$ 20,689,609	\$ 21,441,326
Less:			
Goodwill		225,640	225,640
Other intangibles		3,126	1,738
Tangible assets	(d)	<u>\$ 20,460,843</u>	<u>\$ 21,213,948</u>
Common stock shares outstanding	(e)	169,844,464	170,991,940
Common equity ratio	(a) / (c)	9.80%	10.09%
Tangible common equity ratio	(b) / (d)	8.79%	9.13%
Book value per common share	(a) / (e)	\$ 11.94	\$ 12.66
Tangible book value per common share	(b) / (e)	\$ 10.59	\$ 11.33

¹ When evaluating capital adequacy and utilization, management considers financial measures such as the tangible common equity ratio and tangible book value per common share. These measures are non-GAAP financial measures and are viewed by management as useful indicators of capital levels available to withstand unexpected market or economic conditions, and also provide investors, regulators and other users with information to be viewed in relation to other banking institutions.